

LC 0752 HJ 31  
Study of Property Tax Reappraisal Process  
Public Testimony  
Senate Hearing  
Patty Lovaas

This testimony is for the public record in support of LC 0752 HJ #31, introduced by Gordon Hendrick.

ISSUES

- 1). The property tax scheme in Montana is unconstitutional.
- 2). There is a conflict of interest with an executive agency, the Department of Revenue, assessing property value and financially benefiting from the property tax collected by the assessment.
- 3). The appeals process is prejudicial in favor of the State.
- 4). The administration of the current system is costly and inefficient.

SOLUTION

If the State wishes to continue to use property taxes as a way of funding schools and local government services, a major revision of the process needs to be implemented to restore the public confidence and public trust in an equitable and fair property valuation process.

This joint resolution is probably the most that can be expected to be achieved this legislative session to hold the executive branch accountable for past actions.

Establishing a new Department to administer the ad valorem tax scheme, which many states currently have, would resolve the issues noted above. This would involve transferring all current Title 15 provisions relating to property tax appraisals to the new Department.

*Should not increase property tax based on perceived increase in valuation. This is just a tax on an unrealized gain.*

Department of Property Assessment

The Department of Property Assessment shall have full charge of assessing all property subject to taxation and equalizing values and shall secure such personnel as is necessary to properly perform its duties.

(a) Part 1. General

The Department of Property Assessment, has all the duties pertaining to property assessment and taxation.

(b) Part 2.

Property Assessment Director – A salaried employee from qualified applicants and confirmed by the Senate.

(c) Part 3. Property Assessment Committee – 3 members to be appointed by the Legislature for 3 year intermittent terms.

(d). Part 4. Each county shall provide an arbitrator per Article VIII Section 7 of the Montana Constitution to review any disputes prior to appealing to the Property Assessment Committee.